

**BOARD OF SUPERVISORS
ACTION ITEM**

28

SUBJECT: Restricted TOT Funds: Tourism Destination Strategy – Strategic Tourism Growth Initiatives

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: At the Pleasure of the Board

STAFF CONTACTS: Larry Rosenstrauch, Department of Economic Development
Cheryl Kilday, Loudoun Convention and Visitors Association

RECOMMENDATIONS:

Committee: The Economic Development Committee recommended approval of the requests for TOT funds as described in the item.

BACKGROUND:

At the October 28th meeting of the Economic Development Committee, staff and the LCVA presented the Committee with potential initiatives to fund through Restricted TOT-Strategic Tourism Growth Initiative revenues. Currently, a balance of \$268,000 remains for FY09 Strategic Growth Initiatives, and the County has a carryover balance of over \$1.9 million in undesignated Restricted TOT funds (Attachment 1).

LCVA Recommendations

The LCVA has recommended funding three initiatives: a multimedia effort to obtain and produce high-quality video (\$150,000), expansion of the “Wine Country” strategy (\$150,000), and continuation of the Sports Tournaments Co-Op Program (\$63,080). The LCVA has identified \$158,080 in carryover funds from FY08 which can be applied to these projects, so the total amount of FY09 funding recommended by the LCVA is \$205,000 (Attachment 2).

The Committee recommended approval of these items (4-0), with the caveat that prior to appropriation of the multimedia funds, the LCVA and Committee will meet again to discuss multimedia product development, to include production of a video to promote Loudoun County. This discussion has been scheduled for the December 3rd Economic Development Committee meeting.

Round Hill Arts Center

A request for \$20,000 of TOT funding has come directly from the Round Hill Arts Center, a nonprofit organization providing various arts and cultural programs for the community, including a monthly folk and bluegrass "jam session" that attracts as many as 200 people per event from throughout Loudoun County, as well as other parts of Virginia, Maryland, and Pennsylvania.. The Arts Center is housed in a former 1880s furniture factory. The Loudoun County Fire Marshal has determined that, without safety improvements and retrofitting, the maximum occupancy of the structure is 49 persons. This request, in addition to funding and in-kind contributions from various private sources, would go toward safety improvements and mandated renovations. Attachment 3 provides the details of the request and the supplemental funding that is anticipated from others.

The Committee discussed the merits of this request, including how many persons could be accommodated in the current and renovated facility, what other opportunities exist to utilize the facility, and how the requested funds would be utilized. The Committee recommended approval of this request (4-0), with the stipulation that the Round Hill Arts Center provide additional information about its programs and that a reimbursement clause be made part of the agreement.

Staff has received the information requested by the Committee and has included it as part of Attachment 3. After further review of the request, it has been determined that the structure needing repair is not owned by the Round Hill Arts Center, but instead is owned by a private citizen. After discussions with the County Attorney, it was determined that any contribution given to the Round Hill Arts Center would not be reimbursable, as was requested by the Committee. In addition, any funds would not be accountable for a specific use. Considering this, should the Board desire to support this request, staff recommends that the funds only be distributed after the requestor proves that the total amount of funding has been obtained to complete the necessary renovations. Another alternative is to grant a portion of the request now and reserve the balance for a future appropriation once total funding for the renovation project has been raised by the requestor.

International Youth Symposium/World Trade Youth, Inc.

At the September 24th Committee Meeting, the Committee was given a presentation on the "International Youth Symposium" proposed by World Trade Youth, Inc., a project of Loudoun Youth, Inc. Subsequent to that meeting, additional information was provided regarding the potential of Loudoun County to be a "Founding Partner" of the now-called "International Youth Conference on Peace & Stability," at a seed cost of \$25,000 (Attachment 4). A contribution of this nature would be in keeping with previous Board efforts to develop and grow Loudoun's conference base, which benefits the County by bringing in significant room nights to Loudoun's hotels.

The Committee recommended approval of this request (3-0-1, Burk recused).

Redskins Partnership

For the past six months, a County team (County Administration & Economic Development, LCVA, and CEO Cabinet) has been in discussions with the Washington Redskins about potential

partnerships. These include sponsoring media and events through the Redskins that feature the Loudoun brand. Recognizing the value of engaging the Redskins as a nationally known brand, the County's team has developed a marketing sponsorship package that capitalizes on key Redskins marketing assets. This includes closely associating the national reach of the Redskins name, logo, and "hometown" presence in the County with Loudoun County and its logo.

The Redskins are a highly desirable asset and are being sought for permanent relocation by other communities in the region. One purpose of developing sponsorships such as this is to form a strong community bond with the Redskins organization that benefits them as well as Loudoun. The result of this will be their continued presence and involvement in Loudoun.

The LCVA has already partnered with the Redskins for promotional activities, including having been the presenting sponsor of the Redskins game on October 19th. The LCVA took hotel and meeting facilities representatives and eight wineries to provide wine tasting in five locations (at six tables) on the corporate suite levels of FedEx Field. Six sales people from Loudoun meeting and hotel facilities were also included in a suite with guests of the Redskins and hosted a food and wine pairing in the suite. Additionally, DC's Wine Country™, Loudoun County, Virginia, received significant name placement and awareness for patrons during the game and in other forms of media leading up to the game. The overall goal and result was to interact with their corporate clientele in the suites and to promote Loudoun County as "DC's Wine Country™," a key component of the LCVA's Wine Strategy implementation. This promotional sponsorship effort was for \$50,000 plus expenses for implementing the program.

Over the next two years, the County's team proposes to invest \$250,000 of Restricted TOT funds in two phases to promote the Loudoun brand through the Redskins. The first phase, for \$100,000 in FY09, would be to extend awareness of Loudoun County through:

- Trademark Rights - Full use of Redskins marks on County material and website as "Home of the Washington Redskins"
- Press Releases and On-Air Datelines (in team controlled media, i.e. daily mentions on radio and television programs, streaming internet features, etc.) to refer to Loudoun County, Virginia, such as "Live from the heart of Loudoun County at Redskins Park..."
- Web Site Branding at Redskins.com - Prominent banner ad (to be provided by DED)
- E-Mail blasts - Four banner ads and one feature story that is Loudoun-related, such as a specific player talks about living in Loudoun
- Training Camp referred to as being hosted in Loudoun County, Virginia in all literature
- Training Camp - Tourism booth at the open practices and Loudoun County Day at training camp
- Right to Host an Event at Redskins Park

The second phase would extend the marketing and sponsorship awareness in the first phase and include the development of a Redskins Hall of Fame to be housed in Loudoun County. The funding request for this effort is \$150,000 in FY10, which would procure the same benefits as

the first phase and include additional marketing and brand awareness to promote Loudoun County as the home of the Redskins Hall of Fame.

The Redskins have agreed to work in good faith with Loudoun County and potential developers on the creation and development of a Redskins Hall of Fame Museum to be located in Loudoun County, VA. All aspects of the project are to be determined including exact location and sources of funding. Under this sponsorship, the Redskins are not committing funds for the project; however in the event an agreement is reached with respect to the museum, it is contemplated that the Team will provide mutually agreed upon items for display within the museum and will utilize its marketing assets to promote the existence of the museum and its presence within Loudoun.

County staff has compiled a briefing of the details related to this effort, which is provided as Attachment 5. Staff will be present at the meeting to answer questions, and it is expected that a representative from the Redskins organization will also be in attendance.

The Committee commented on the value and recognition associated with the Redskins brand, along with the potential opportunities to attract and retain visitors and visitor spending through a Redskins Hall of Fame. The Committee recommended approval of the FY09 portion of this effort utilizing TOT funds (4-0).

ISSUES:

The County Attorney has advised that a contribution to the Round Hill Arts Center would not be reimbursable.

Should the Board approve pursuing the strategic partnership with the Redskins, the specific contract language will be worked out through staff and the Redskins organization.

Staff recommends that for all future TOT funding requests not coming through the LCVA, applicants fill out a TOT funding application. This application will provide greater clarity to the request, as well as provide additional information for the Board members in their consideration of the request. A sample of the application form is attached (Attachment 6).

FISCAL IMPACT:

There is a balance of \$268,000 in FY09 for Strategic Growth Initiatives. In addition to the Restricted TOT funds collected in FY09, there is a carryover balance of funds from previous years of \$1,924,918, although a large portion of these funds are likely to be dedicated to the Wayfinding Project.

The funding recommendations identified in Attachment 2 require \$205,000 of the projected collection for Strategic Growth Initiatives. The Round Hill Arts Center request amounts to \$20,000, the World Trade Youth, Inc. request would total \$25,000, and the Redskins Partnership amounts to \$100,000 (for FY09). The total amount of funding requested for FY09 equals

\$350,000. There are sufficient funds in the FY09 Restricted TOT balance and the TOF Carryover balance to fund these requests.

ALTERNATIVES:

The Board of Supervisors can choose to:

- Approve funding the initiatives listed on Attachment 2, approve funding select initiatives listed on Attachment 2, or not approve funding any of the initiatives listed on Attachment 2; and/or
- Approve the Round Hill Arts Center request for funding with or without a contingency clause, or not recommend approval to fund the Round Hill Arts Center request; and/or
- Approve the recommendation to fund the International Youth Conference on Peace & Stability as a “Founding Partner,” or not approve the funding of this initiative; and/or
- Approve the recommendation to fund the Loudoun County/LCVA/Redskins Partnership, or not approve the funding of the Loudoun County/LCVA/Redskins Partnership.

DRAFT MOTIONS:

1. I move that the Board of Supervisors approve Budget Adjustment (BA) 093389 to fund the following initiatives out of Restricted TOT Funds:

A. The LCVA Recommendations for the Strategic Growth Initiatives as outlined in Attachment 2, at an amount of \$205,000;

B. The Round Hill Arts Center request for \$20,000 from the FY09 Restricted TOT Funds, with actual disbursement of funds to be contingent on proof from the requestor that sufficient funds exist for the full completion of the necessary renovations;

C. The World Trade Youth, Inc. request to become a “Founding Partner” of the International Youth Conference on Peace & Stability, a project of Loudoun Youth, Inc., at a contribution level of \$25,000; AND

D. The Loudoun County/LCVA/Redskins Partnership at a cost of \$100,000.

OR

2. I move an alternate motion.

ATTACHMENTS:

1. FY09 TOT Fund Allocation and Carryover Balance
2. LCVA FY09 Recommendations - Strategic Tourism Growth Initiatives
3. Round Hill Design Studio Request for Funding
4. World Trade Youth, Inc. Strategic Plan 2008-2010
5. Redskins Partnership Briefing Paper
6. FY 2009 TOT Funding Application (sample)